

THE MASSACHUSETTS ENVIRONMENTAL RESULTS PROGRAM:

⇒ Protecting the Environment and Helping Small Businesses ⇐

WHAT IS THE ENVIRONMENTAL RESULTS PROGRAM?

The Environmental Results Program (ERP) is a unique environmental performance initiative used by the Massachusetts Department of Environmental Protection (MADEP). ERP features a multimedia, sector-based regulatory approach that replaces facility-specific state permits with industry-wide environmental performance standards and annual certifications of compliance. ERP applies three innovative tools to enhance and measure environmental performance. These tools supplement MADEP's traditional compliance inspection and compliance assistance efforts:

1. An annual **self-certification** of compliance by companies to increase self evaluation and accountability;
2. **Compliance assistance** from the agency through outreach and innovative workbooks; and
3. A new **performance measurement** methodology to track results, determine priorities and strategically target inspections and compliance assistance efforts.

ERP TOOLS

1. **Self-certification.** ERP requires that a senior company official annually certifies that the facility is and will continue to be in compliance with all applicable state air, water and hazardous waste management performance standards. DEP provides compliance assistance (see below) for facility managers so they can better understand the information that is the basis for their certification. Facilities that are not in compliance must file a "Return to Compliance" plan, which describes the corrective actions that the facility will take and a schedule to achieve full compliance.
2. **Compliance Assistance.** MADEP assists the self-certification process by providing compliance assistance for all ERP facilities. Compliance assistance includes sector-specific workbooks and workshops that clearly explain facilities' environmental obligations as well as sound environmental practices that go "beyond compliance".
3. **Performance Measurement.** MADEP is experimenting with an evaluation methodology that uses random sampling and statistical analysis to measure the performance of ERP sectors and facilities. This methodology validates the performance of the program itself, and is used to target facilities for inspections and compliance assistance. The evaluation tracks environmental business practice indicators (EPBIs), which are industry-specific performance measures that provide snapshots of facilities' environmental performance before and after certification and on a long-term basis.

Currently, ERP applies to three sectors in Massachusetts: dry cleaning, photoprocessing, and printing. MADEP is expanding the program into other sectors, and is working with USEPA to investigate the potential transferability of the ERP approach and its tools to other states.

WHY IS THE ENVIRONMENTAL RESULTS PROGRAM UNIQUE?

The Massachusetts' ERP approach is unique in several ways:

- The compliance certification process involves industry proactively in ensuring its environmental compliance. Yearly facility reviews of environmental requirements and annual certifications of compliance create more comprehensive environmental performance than short-term compliance resulting from infrequent inspections.
- Making information about industry's environmental performance and the effectiveness of ERP readily available to the public makes both industry and government more publicly accountable for their performance. Periodic reports provide the public with meaningful information about industrial environmental performance.
- MADEP oversees the program by reviewing certifications and conducting random and targeted compliance inspections, to make sure that the program is working. MADEP can focus its limited resources on companies and sectors that are not performing adequately by targeting inspections and assistance efforts to facilities with specific compliance problems (including failure to file their certifications), and to demonstrated sector-wide problem areas.

What is an EBPI?

An Environmental Business Practice Indicator (EBPI) is one of the tools developed by MADEP's Environmental Results Program. EBPI's are industry-specific performance measures that provide a snapshot of a facility's environmental performance.

The EBPIs include both traditional program compliance measures (e.g. level of compliance with labeling, record keeping) as well as measures that go beyond program compliance (e.g. use of low-VOC cleaning solvents, extent of silver recovery, and perchloroethylene recovery). The number of EBPIs for each sector differs: there are 18 EBPIs for printers, dry cleaners have 16 and photoprocessors have 8 EBPIs (the number of EBPIs varies based on complexity of a sector).

MADEP conducts statistical analysis of the EBPIs along with random inspections and review of self-certifications to evaluate the performance of individual facilities, sectors and ERP as a whole. MADEP uses its evaluation to:

- 1. Determine industry-wide compliance rates and actual environmental performance;*
- 2. Make more informed and strategic resource allocation decisions for inspections and compliance assistance efforts;*
- 3. Evaluate ERP's programmatic effectiveness.*

"The certification was, for many firms, the first time they had comprehensively reviewed their environmental performance. Firms were quick to make changes so as to submit certifications showing full compliance."

*"Transforming Environmental Protection for the 21st Century," Report by the National Academy of Public Administration
November 2000*

WHAT PROBLEMS IS ERP DESIGNED TO SOLVE?

MADEP undertook ERP to address several concerns, in its view, about the effectiveness of the existing regulatory system for small business and the agency's limited resources. MADEP believes that the traditional regulatory approach:

- Does not efficiently cover all facilities regulated by the state. For example, only 10% of dry cleaners were identified in the state's compliance program prior to ERP implementation (95% of dry cleaners are now included in ERP);
- Does not sufficiently encourage multimedia compliance;
- Needs to encourage more pollution prevention;
- Leads to significant costs for both facilities and MADEP to permit small sources that individually contributed a small fraction to overall pollution.
- Could benefit from more compliance assistance to inform small businesses of their environmental requirements.
- Does not achieve a desired level of environmental performance.
- Does not promote lasting change and improvement in environmental performance at facilities because of: the sporadic nature of inspections; facilities' staff's limited understanding of regulatory requirements and beyond-compliance possibilities; and the frequent turnover of facilities within the regulated sectors.

BENEFITS OF ERP APPROACH AND TOOLS

Environment

ERP can achieve measurable reductions in environmental impact of covered facilities. ERP prompts industry to increase its focus on complying with environmental laws, and on overall environmental performance. For example, in the dry cleaning sector, 77% of the indicators showed either high performance or a statistically significant increase in performance in a comparison between the baseline and first year ERP results. High performance includes such practices as not discharging to septic systems and installing appropriate pollution control equipment.

Industry

ERP can assist facilities in understanding their environmental regulatory requirements and in monitoring their environmental performance. It also eliminates some costs and gives industry more operating flexibility by replacing state permits and reducing state fees. It also engenders high-level management commitment to environmental performance by requiring company owners to certify their compliance, and allows facilities to project a positive environmental image to the public.

Public

ERP holds industry accountable for its environmental performance and increases public awareness of industry's environmental impacts. Stakeholders participate in the development of the ERP compliance workbooks and program design. The public also benefits from ERP through improved environmental results for limited government resources. In addition, ERP documents environmental achievement in a manner that can be more easily understood by the public.

Agency

MADEP does benefit from ERP through its improved ability to track environmental performance trends and specific environmental practices of whole industry groups and individual facilities. ERP increases government's cost effectiveness by allowing MADEP to dedicate its limited resources to the areas of greatest concern. ERP results in a multimedia, incentive-based regulatory system that is designed to produce lasting improvements in industry's environmental performance.

December 6-7, 2000

HOW CAN I LEARN MORE?

A MADEP/USEPA partnership has been formed to investigate whether the ERP approach and its tools can be transferred to other states and other environmental applications. USEPA Headquarters' (Office of Policy, Economics and Innovation and the Office of Enforcement and Compliance Assurance), USEPA Region I (Boston, MA), and MADEP are exploring opportunities to apply the ERP approach to a variety of environmental problems. This partnership is interested in working with states to help them understand the ERP approach and its tools, facilitate information sharing among states, and pilot-test ERP approaches and its tools, in solving environmental problems.

For more information on the ERP approach and its tools, you can do the following:

- Contact Tara Velazquez, MADEP, (617) 348-4040, to learn more about ERP.
- Contact Greg Ondich or Patricia Mott, USEPA, (202) 556-2215 or (202) 564-5133, respectively, for information on the ERP approach and its tools.
- Read a more detailed Executive Summary of the Environmental Results Program to be available on the USEPA website at: <http://www.epa.gov/permits/>

“The Massachusetts Environmental Results Program creates “a powerful incentive for the owners or managers of small business sectors to take personal responsibility for complying with environmental regulations.”

“Transforming Environmental Protection for the 21st Century,” Report by the National Academy of Public Administration
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